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FISCAL IMPACT STATEMENT

LS 6472

BILL NUMBER: SB 184

NOTE PREPARED: Dec 15, 2003

BILL AMENDED:

SUBJECT: Appeal of 2002 Assessment of Residential Property.

FIRST AUTHOR: Sen. Craycraft

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows an owner to appeal before May 1, 2004, the assessment of a homestead determined for the 2002 general reassessment.

Effective Date: Upon passage.

Explanation of State Expenditures: Any additional successful appeals on homesteads for the March 1, 2002, assessment date under this bill would reduce the state's cost for Homestead Credits. The amount of savings depends on the amount of taxes removed from homesteads and is not currently known.

Explanation of State Revenues: The state levies a small tax rate for State Fair and State Forestry. Any reduction in the assessed value base will reduce the property tax revenue for these two funds.

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, an assessment must be appealed within 45 days of the first notice of the new assessed value for the appeal to apply to the taxes due for that assessment date. Otherwise, the effective date of the appeal is delayed. This bill would extend the appeal deadline for homesteads for the March 1, 2002, assessment date until May 1, 2004.

Successful appeals would result in a refund of overpaid taxes. The refunds would reduce property tax revenues in the year that the refunds are paid. Under SEA 1 (2004), taxing units may appeal for a an excessive levy due to revenue shortfalls caused by appeal refunds. The appeal may be made in the year following the shortfall.

The number, value, and success rate of any additional appeals under this bill is undetermined.

State Agencies Affected: Indiana Board of Tax Review.

Local Agencies Affected: Local civil taxing units and school corporations.

Information Sources:

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